

**CONTRACT BETWEEN**  
**THE**  
**CHARTER TOWNSHIP OF CLINTON**  
**AND THE**  
**CLINTON TOWNSHIP FIRE CHIEF, DEPUTY FIRE**  
**CHIEF/OPERATIONS, AND**  
**DEPUTY FIRE CHIEF/ADMINISTRATION**

**APRIL 1, 2004 TO MARCH 31, 2008**

## INDEX

### CLINTON TOWNSHIP FIRE CHIEF, DEPUTY CHIEF/OPERATIONS, AND DEPUTY FIRE CHIEF ADMINISTRATION CONTRACT

		<u>Page</u>
ARTICLE I	PURPOSE AND INTENT	1
ARTICLE II	RECOGNITION	2
ARTICLE III	REPRESENTATION	2
ARTICLE IV	GRIEVANCE PROCEDURE	2
ARTICLE V	PROMOTIONS, LAY-OFFS, SUSPENSIONS, DISCHARGES AND REINSTATEMENTS	5
ARTICLE VI	SENIORITY	7
ARTICLE VII	HOLIDAY PAY & DEFINITION OF TIME CONSTITUTING A HOLIDAY	7
ARTICLE VIII	VACATIONS	8
ARTICLE IX	SICK LEAVE & DISABILITY INSURANCE	9
ARTICLE X	FUNERAL LEAVE	11
ARTICLE XI	PERSONAL DAYS	11
ARTICLE XII	INSURANCE BENEFITS	
Section 1	Life Insurance	12
Section 2	Hospitalization Insurance	12
Section 3	Widow's and Family Benefits	13
Section 4	Hospitalization Retiree Benefits	15
Section 5	Dental Plan	15
Section 6	Optical Insurance	17
Section 7	Contribution to Deferred Compensation In Lieu of Health Insurance	17
ARTICLE XIII	WORKER'S COMPENSATION	18
ARTICLE XIV	UNIFORM AND CLOTHING ALLOWANCE	19

ARTICLE XV	SALARY SCHEDULE AND DURATION OF CONTRACT	19
ARTICLE XVI	MAINTENANCE OF CONDITIONS	19
ARTICLE XVII	LONGEVITY	20
ARTICLE XVIII	PENSIONS	
Section 1	Multiplier	20
Section 2	Average Final Compensation	21
Section 3	13 <sup>th</sup> Check	21
Section 4	Employee Contribution	21
Section 5	Annuity Withdrawal	21
Section 6	Service Required for A Normal Retirement	21
Section 7	Surviving Spouse Benefit for Retiree on Duty Disability Retirement	22
Section 8	Defined Retirement Option Plan (DROP)	
ARTICLE XIX	VALID MICHIGAN DRIVER’S LICENSE	23
ARTICLE XX	SCHOOL TUITION	23
ARTICLE XXI	EDUCATIONAL ALLOWANCE AND/OR EDUCATIONAL INCENTIVE	24
ARTICLE XXII	JURY DUTY	25
ARTICLE XXIII	EFFECT OF TRANSFER FROM 24 HOUR WORK DAY TO 8 HOUR WORK DAY	25
ARTICLE XXIV	EMPLOYEES USING TOWNSHIP VEHICLES	25
ARTICLE XXV	OVERTIME AND COMPENSATORY TIME	26
ARTICLE XXVI	RECLASSIFICATION OF DEPUTY CHIEFS	27
EXHIBIT “A”	SALARY SCHEDULE	29
APPENDIX “A”	PAY IN LIEU OF HEALTH INSURANCE	30
APPENDIX “B”	WAIVER OF MEDICAL INSURANCE FORM	32
APPENDIX “C”	DEFERRED RETIREMENT OPTION PLAN (DROP)	33

CONTRACT BETWEEN THE CHARTER TOWNSHIP OF CLINTON  
AND  
CLINTON TOWNSHIP FIRE CHIEF,  
OPERATIONS CHIEF, AND DEPUTY FIRE CHIEF

This agreement entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2004  
between the CHARTER TOWNSHIP OF CLINTON, a Michigan Municipal Corporation,  
hereinafter referred to as “Township”, and the CLINTON TOWNSHIP FIRE CHIEF,  
DEPUTY FIRE CHIEF/OPERATIONS, AND DEPUTY FIRE CHIEF/ADMINISTRATION,  
hereinafter referred to as “Employees”.

WITNESSETH:

WHEREAS, the parties hereto in consideration of the mutual covenants and  
agreements herein contained, do agree as follows:

ARTICLE I – PURPOSE AND INTENT

The general purpose of this agreement is to set forth terms with respect to rates of  
pay, wages, hours of employment, or other conditions of employment, and to promote  
orderly and peaceful labor relations for the mutual interest of the Township in its capacity  
as employer, the Employees, and the citizens of the Township.

The parties recognize that the interest of the community and the job security of  
the Employees depend upon the employer’s success in establishing proper services to the  
community.

To these ends the employer and Employees encourage to the fullest degree the  
friendly and cooperative relations between one another.

## ARTICLE II – RECOGNITION

The Township recognizes the Employees as a bargaining group to the extent permitted and required by Act 336 of Public Acts of 1947, as amended, and by Act 379 of Public Acts of 1965, as amended.

The Township will not interfere with, discourage, restrain, or coerce the Employees relative to any lawful activities.

The Township will negotiate with the Employees on items relating to rates of pay, wages, hours, conditions of employment, and fringe benefits.

## ARTICLE III – REPRESENTATION

The Employees shall be represented in all negotiations by themselves. The Township shall negotiate with the Employees as herein provided.

The Fire Chief, the Deputy Chief, or the Operations Chief shall be allowed time off without loss of benefits to conduct such collective bargaining business as is necessary, including participation in grievance procedure, not to exceed one-half hour per day unless a longer time is approved by the Township.

## ARTICLE IV – GRIEVANCE PROCEDURE

This informal resolution of differences or grievances are urged and encouraged to be resolved at the lowest possible level of supervision.

The Employees covered by this agreement shall have the right to present grievances in accordance with the following procedure:

Step One – If an Employee feels he/she has a grievance that cannot be resolved informally, he/she shall discuss the grievance with the Liaison Officer and place the grievance in writing within (5) days of the occurrence of the matter being grieved. The Liaison Officer

shall attempt to resolve the grievance satisfactorily to all parties, but in the event it is not resolved within fourteen (14) days of presentation then Step Two will be applicable.

Step Two – The Employee shall, within seven (7) calendar days from the time he/she receives a decision from the Liaison Officer which is unsatisfactory or if the grievance is not resolved within the time limits of Step One, present the written grievance to the Township Supervisor. The same attempt at resolving the grievance shall be made by the Supervisor within seven (7) calendar days of receipt of the grievance. The Supervisor's decision shall be given in writing to the Employee and if unsatisfactory to the Employee, then the Employee shall have the right to resort to Step Three. The Supervisor's failure to answer within said seven (7) days shall also give the Employee the right to resort to Step Three.

If the Supervisor and the Liaison Officer is the same person, then Step Two shall be omitted and the Employee may proceed to Step Three.

Step Three – If the Employee's grievance has not been satisfactorily resolved at the Step Two level, then he/she shall have the right to present the same to the Human Resources Director by filing the same grievance in writing within seven (7) calendar days of the Supervisor's decision or indecision. The Human Resources Director shall hold a hearing within fourteen (14) calendar days of receipt of grievance and shall issue his determination within seven (7) calendar days of the termination of the hearing. By the adoption of this contract, the Township Board agrees that the Human Resources Director has the power and authority on behalf of the Township to resolve all grievances at this Step Three level.

At all times the Employee shall have the right to have his/her representative, counsel or any designated person appear at any grievance procedure or have the right to have assistance in any grievance procedure by such representative.

Step Four – If a satisfactory settlement is not reached in Step Three or a written answer is not submitted within the seven (7) calendar days above, then the grievance may be submitted in written form within fifteen (15) working days of receipt of an unsatisfactory reply of the expiration of thirty (30) days exclusive of holidays, Saturdays or Sundays to the Act 78 Civil Service Commission or the American Arbitration Association.

The party that request arbitration of an unsettled grievance shall submit the matter to the American Arbitration Association requesting that an Arbitrator be selected with the assistance, and under the rules of the American Arbitration Association, or if mutually agreed upon, the moving party may submit the matter to a mutually agreeable arbitrator from Federal Mediation and Conciliation Service.

The expenses of the Arbitrator shall be shared equally by the parties. Each party shall make arrangements for, and pay the expense of witnesses which they call.

There shall be no appeal from an Arbitrator's decision. It shall be final and binding on the Employees and the Township on those matters within the jurisdiction of the Arbitrator.

CIVIL SERVICE HEARING – Any unresolved grievances having not been submitted to Arbitration may be submitted to the Civil Service Commission. Said submission will be in compliance with Act No. 78 of the Public Acts of the State of Michigan for 1935 as amended. However, in those cases where an Employee files a complaint or grievance with the Civil Service Commission, they will not be eligible to file with the American Arbitration Association. Continuation of a grievance beyond the Township Board's jurisdiction cannot be to both the American Arbitration Association and the Civil Service Commission.

ARTICLE V – PROMOTIONS, LAY-OFFS, SUSPENSIONS  
DISCHARGES AND REINSTATEMENTS

A. PROMOTIONS

In order to qualify for appointment to Fire Chief the following requirements must be met.

FIRE CHIEF

The Fire Chief position shall be selected from employees of the Clinton Township Fire Department. To be eligible for promotion to Fire Chief, an employee must meet all of the following minimum qualifications:

- a. Minimum ten (10) years experience in a municipal fire department.
- b. Minimum five (5) years experience as a fire fighter.
- c. Minimum two (2) years experience as a Sworn Officer in Fire Suppression, Fire Prevention, or Fire Training Division.
- d. Successful completion of all courses necessary to be Fire Officer III certified.
- e. Possession of at least one of the following:
  1. Fire Management and Leadership Studies Certificate.
  2. BA Degree in Fire Science.
  3. National Fire academy Executive Fire Officer cortication.
  4. Chief Fire officer Designation (CFOD)
  5. Associates Degree in Fire Science and financial, political science, business management background.

The Fire Chief shall be selected from eligible candidates using an assessment center as the selection device. An eligibility list will be created using the assessment center scores. The Township board or its designated representative(s) may interview the top three candidates from the eligibility list. The Board shall fill the Chief position from the top three candidates from the eligibility list. If there are less than three qualified candidates for the position, the Board may elect to open this process to candidates outside the Clinton Township Fire Department or may select from the eligible candidates.

All appointments to the position of Fire chief shall be subject to a probationary period of six (6) months.



Unless they conflict with the above language, promotions shall be in accordance with Public Act 78 Civil Service Rules.

#### DEPUTY CHIEF

The Deputy Fire Chief position shall be selected from employees of the Clinton Township Fire Department. To be eligible for promotion to Deputy Fire Chief, an employee must meet the following minimum qualifications:

- a. Minimum ten (10) years experience in a municipal fire department.
- b. Minimum five (5) years experience as a fire fighter.
- c. Minimum two (2) years experience as a Sworn Officer in Fire Suppression, Fire Prevention, or Fire Training Division.
- d. Successful completion of all courses necessary to be Fire Officer III certified.
- e. Possession of at least one of the following:
  1. Fire Management and Leadership Studies Certificate.
  2. BA Degree in Fire Science.
  3. National Fire Academy Executive Fire Officer cortication.
  4. Chief Fire officer Designation (CFOD).
  5. Associates Degree in Fire Science and financial, political science, business management background.

The Deputy Fire Chief shall be selected from eligible candidates using an assessment center as the selection device. An eligibility list will be crated using the assessment center scores. The Township Board or its designated representative(s) may interview the top three candidates from the eligibility list. If there are less than three qualified candidates for the position, the Board may elect to open this process to candidates outside of the Clinton Township Fire Department or may select from the eligible candidates.

All appointments to the position of Deputy Fire chief shall be subject to a probationary period of six (6) months.

Unless they conflict with the above language, promotions shall be in accordance with Public Act 78 Civil Service Rules.

B. LAY-OFFS, SUSPENSIONS, DISCHARGES AND REINSTATEMENTS

The provisions of Act 78n of 1935 as amended are adopted by reference as if fully stated herein to control lay-offs, suspensions, discharges and reinstatements.

ARTICLE VI – SENIORITY

Accrual of seniority of an Employee shall be retroactive to date of employment, provided the employment is continuous.

ARTICLE VII – HOLIDAY PAY, DEFINITION OF TIME CONSTITUTING  
A HOLIDAY, PROVISIONS RELATIVE TO WORKING HOLIDAYS

Effective December 1, 1990, for a time period from December 1, 1990 to December 1, 1991, and for the same dates annually thereafter, the Employees shall receive pay for thirteen (13) holidays in the last pay period of November. Provided, that to receive pay, the Employees shall work seven (7) holidays each to receive pay for the thirteen (13) holidays. Work during holidays must be arranged so that one of the Employees will be working each of the holidays to maintain coverage. Said holidays are:

New Year's Day	Independence Day
President's Day	Labor Day
Good Friday	Columbus Day
Memorial Day	Veteran's Day
Christmas Eve	Thanksgiving
Christmas Day	Friday after Thanksgiving
	New Year's Eve

Holidays will be those days observed as holidays by the Township. The Employees must have been employed during the contract period in which the holiday occurred and must work the scheduled day before and after the holiday unless excused by his/her supervisor to receive pay for the holiday.

## ARTICLE VIII – VACATIONS

Even though the contract year is not a calendar year, the references to vacations in ARTICLE VIII is intended to indicate that records for vacations shall be maintained on a calendar year basis. Vacation days shall be granted on the following schedule:

### YEARS

1 year through 5 years	14 days @ $1\frac{1}{6}$ days per month
6 years through 12 years	21 days @ $1\frac{3}{4}$ days per month
Over 12 years	26 days @ $2\frac{1}{6}$ days per month

Vacation time is earned based on employment in Clinton Township. Vacation days accumulated in excess of forty-two (42) days at the end of each contract year shall be forfeited.

Upon separation from service, an Employee shall be paid for his/her accrued vacation days. In the event of death of an Employee, the Employee's spouse, children or designated beneficiary shall be paid the vacation pay.

Effective with this contract, the Township will discontinue the practice of issuing advanced paychecks.

An employee shall be entitled to cash in for full pay, a maximum of ten (10) vacation days once each year, provided a minimum of ten (10) days remain on the books. The employee shall submit in writing a request for such payment two (2) weeks prior to the second pay period in January, when this payment will be made.

## ARTICLE IX – SICK LEAVE AND DISABILITY INSURANCE

### **Section 1. Sick Leave**

All employees shall be entitled to sick leave, with pay. Days are earned and accumulated at the rate of one (1) day per month. Unused sick leave shall be accumulated to the Employee's credit without limit for use at any future time. Effective with this agreement, or in January of 1998, and then, annually each January thereafter; Employees will have the option to sell any amount in excess of ninety (90) days. Such days will be sold at the rate of one-half of the Employee's base rate of pay in effect at the time the days are sold. The employee shall submit in writing a request for such payment two (2) weeks prior to the second pay period in January when this payment will be made. The value of fifty percent (50%) of up to twelve (12) sick days sold each year shall be included in the calculation of final average compensation. After five (5) years of continuous service, fifty (50%) percent of accumulated sick leave shall be paid to the Employee in case of retirement from the service for any reason, or payment shall be made, in the event of death, to the representative of the Employee's estate.

Serious illness of a husband, wife, or child shall warrant use of sick leave by the Employee after arrangements have been made with his/her immediate superior.

### **Section 2. Short and Long Term Disability**

(a) The parties agree that upon implementation of this Agreement the Township shall provide Employees with short term disability benefit which shall provide sixty-six and two-thirds (66-2/3%) percent of his/her salary after a waiting period of one hundred (100) calendar days. The Township agrees to maintain and provide at no cost to the Employee hospital, medical, life, dental, and optical insurance at the same benefit level being provided to the collective bargaining group. This coverage shall be maintained during the waiting period as well as through the short

term disability benefit period. The Township shall also provide disability benefits in accord with the benefits of the Insurance Policy and Summary Plan Description in the Human Resources Department, except as modified by this collective bargaining agreement. The benefits of the above plan shall not be diminished without the mutual agreement of both parties. A copy of the long term benefits are contained in the policy and description recited above and has been given to the Union secretary and is available for examination in the Human Resources Department.

(b) If an employee is absent from work because of injury or sickness, he/she shall have the option of first using sick days and/or bank sick days, personal days, furlough days, and compensatory days before applying for the benefits under the short term disability program. Once the said Employee applies and qualifies for short term disability benefits, he/she shall not have the right to draw on sick days, personal days, furlough days or compensatory days for any injury or illness arising out of the same cause for which the disability benefit originated. However, at the conclusion of the short term disability period (180 days from when the Employee was absent from work due to the injury or illness) and before the commencement of the long term disability, the Employee again shall have the option of using sick days and/or bank sick days, personal days, furlough days and compensatory days before applying for long term disability benefits.

(c) Once an Employee qualifies for long term disability benefits, the Employee may maintain the hospital, medical, life, dental, and optical insurance available pursuant to the terms of the collective bargaining agreement for a period not to exceed six (6) months, provide the employee funds the cost of maintaining such insurance benefits in advance of the time of payment. This provision shall not diminish the length of time the Township is required to supply

COBRA benefits, it being the understanding of the parties that COBRA benefits are available to an employee and commence once the Township ceases to provide the insurance benefits and the employee does not maintain those benefits by paying for them him/herself during the six (6) month period allowable under the long term disability program.

(d) The parties agree that both short term and long term disability benefits are available at the option of the employee. The parties further agree that nothing in this Section shall diminish in any way the benefits currently available to employees under the terms of the collective bargaining agreement, including but not limited to Sections 1 through 5 above.

#### ARTICLE X – FUNERAL LEAVE

In the event of death in the immediate family (i.e. spouse, parent, grandparent, parent of spouse, child, brother or sister) of an Employee or their spouse, they shall be entitled when so required, leave time up to three (3) normally scheduled working days with regular pay to arrange for and attend the funeral and burial.

The Employee shall be entitled to one (1) day with pay when so required to arrange and attend the funeral and burial in the event of death of any other relative not mentioned above.

#### ARTICLE XI – PERSONAL DAYS

Each Employee shall earn three (3) personal days per calendar year but such personal days shall be cumulative.

Personal Business Days not used during the year may be converted over to vacation days and carried forward to the following year, or be converted to cash at the rate of seventy-five percent (75%) of the value of the days being converted. Request to convert personal business

days to vacation days or cash shall be made within two (2) weeks prior to the end of the calendar year. Personal days may be taken by the Employees in time sequences of not less than one-half of a day.

Personal days shall be earned at the rate of one day for each four month period where the Employee works the greater number of working days in that period. The four months period shall be January through April, May through August, and September through December.

## ARTICLE XII – INSURANCE BENEFITS

### Section 1. Life Insurance

The Township shall provide each Employee with a term group life insurance policy in the amount of Fifty Thousand (\$50,000.00) Dollars with provision for double indemnity and total disability benefits. In case of total disability prior to age 60, upon application from the disabled employee and approval by the insurance company, the policy has a provision to pay up to 60 monthly disability installment payments (after a six month waiting period) of approximately \$354.00 each. Each disability payment will result in a reduction of the value of the policy and receipt of all 60 monthly disability payments will result in a \$10,000.00 balance available for a death benefit.

Upon normal retirement (25 years of service), the Township shall provide each Employee with a Ten Thousand (\$10,000.00) Dollar term life insurance policy for the Employee and the Township shall pay the premium thereon. This policy will not contain double indemnity.

### Section 2. Hospitalization Insurance

The Township shall provide hospital, medical and surgical insurance for each Employee who furnished written election to accept such benefit and such insurance shall be Michigan

Hospital Service (Blue Cross-Blue Shield Policy) designated MVF2, or a Comparable Policy may be designated from time to time which provides equal insurance benefits. The total cost of such insurance shall be paid by the Township for the Employee, spouse, if any, and any minor dependent children. Employees shall receive the preferred provider prescription benefits of Five Dollar (\$5) deductible. The following riders are part of the Blue Cross Blue Shield plan; routine mammogram, routine pap smear, Emergency Bone Marrow Transplant Rider, and FAE-RC riders.

Effective as soon as possible following the signing of this agreement the following changes will be made to the Blue Cross Blue Shield Plan; the Prescription Drug co-pay shall be increased from five dollars (\$5) to five dollars (\$5) for generic drugs and ten dollars (\$10) for dispense as written; the following riders will be added to the Blue Cross Blue Shield coverage; Hearing Aids (HC Rider) and Annual Physical Gyn Exam (AP-2 Rider); the master medical deductible will be increased from \$50/\$100 to \$100/\$200 per year.

**Prescriptions:** Members using the basic Blue Cross/Blue Shield option shall fill drug prescriptions from a designated list of “Blue Preferred Plan” pharmacies to be distributed by the Township and supplied periodically by Blue Cross/Blue Shield from an updated list.

As an alternative, the Employee may choose a Health Maintenance Organization (HMO) designated by the Township. In selecting the HMO option, the Township’s cost shall be limited to that of the MVF2 plan described above.

### Section 3.

#### A. Widow’s and Family Benefits (Non-Duty related)

Upon death of any full-time employee, the Township shall make available a hospitalization insurance policy for the deceased’s spouse and family provided the cost of said



policy shall be paid by the widow, widower, or deceased's family at least one (1) month prior to the date upon the premium is due.

The policy referred to in this section will be a type policy which shall be as equal as possible in providing a hospitalization insurance policy as the Township provided for the Employee prior to his/her death, it being fully understood that it might not be possible for the Township to acquire the same hospitalization policy under its present group insurance arrangement and the widow, widower, and family shall have the right to discontinue the policy at any time since the services rendered by the Township is only one of servicing and arranging for payments provided the Township is paid in advance.

The service or aid to be rendered by the Township concerning the policy or hospitalization insurance as provided in this section, shall remain in effect only until the widow or widower remarries; however, in the case where there are dependent children of the deceased Employee under the age of nineteen (19) years, then and in that event, the widow, widower, children or guardian for the minor children may elect to have the Township acquire the said hospitalization insurance policy for said children provided the full costs of the premium of such insurance shall be paid to the Township at least one (1) month in advance of any premium due date.

B. Widow's and Family Benefits (Duty Related)

Upon the duty-related death of any full time Employee of the Fire Department, the Township shall provide a hospitalization and medical insurance policy for the deceased's spouse and minor dependent children and the cost of said policy shall be paid for by the Township.

The policy referred to in this Section will be a type policy which shall be as equal as possible and providing hospitalization insurance policies at the Township provided for the

Employee prior to his/her death, it being fully understood that it might not be possible for the Township to acquire the same hospitalization policy under its present group insurance arrangement.

The service or aid to be rendered by the Township concerning the policy of hospitalization insurance as provided in this Section, shall remain in effect only until the widow or widower remarries; however, in the case where there are minor dependent children of the deceased Employee, then in that event, the widow, children or guardian for the minor dependent children may elect to have the Township acquire the said hospitalization insurance policy for said children, with the cost of said policy being paid for by the Township until the child(ren) is (are) no longer minor dependent children.

#### **Section 4.     Hospitalization Retiree Benefits**

The Township shall provide each Employee who retires with at least 25 years of service with a hospitalization and medical insurance policy equal to that which they had while they were working, with the exception of coverage under the IMB-OB rider. The policy shall cover the retiree, retiree's spouse, and any minor dependent children. If the Employee qualifies for Medicare and enrolls in Parts A and B, then the Township shall pay for a Blue Cross M-65 Policy or the equivalent that supplements the Medicare program. Once a retiree qualifies for and is enrolled in Medicare, the retiree will not be eligible to participate in the Blue Cross/Blue Shield PPO or the HMO plans offered by the Township. For employees who retire after April 1, 1996, this benefit shall be applicable to the widow of a retiree.

#### **Section 5.     Dental Plan**

The Township shall provide and pay for a dental plan for the employee and dependents. The plan will be the Delta Dental Preferred Option Plus Plan. This plan includes an orthodontic rider which will cover dependents up to age nineteen (19) years of age with a maximum lifetime benefit of

\$1,500. There shall be no deductible and the plan will have an eight hundred (\$800.00) dollar limit on benefits per person per contract year.

The co-pay provision of the plan will be as shown below:

	PPO MEMBER DENTIST	NON PPO DENTIST
Class I Benefits	Delta Dental Pays	Delta Dental Pays
Diagnostic Services	100%	100%
Preventive Services	100%	100%
Emergency Palliative Treatment	100%	100%
Radiographs	80%	65%
Oral Surgery	80%	65%
Minor Restorative Services	80%	65%
Periodontics	80%	65%
Class II Benefits		
Prosthodontics	75%	65%
Major Restorative Services	75%	60%
Class III Benefits		
Orthodontics (to age 19)	60%	50%

Effective for employees who retire on or after April 1, 2000, retirees, their spouses, and any minor dependent children will be provided with Delta Dental Class I benefits.

## **Section 6. Optical Insurance**

The Township shall provide an optical insurance plan which covers bi-annual eye examinations and the bi-annual purchase and/or replacement of single and multi-corrective lenses (bi and tri focals), frames, safety glasses and contact lenses. The total cost of such insurance shall be paid by the Township for the employees, their spouse and minor dependent children.

Benefits provided are eye examinations, glasses, and contract lenses. Employees and their spouses may purchase such benefits up to a total maximum value of \$350 once every twenty-four consecutive months. Employees' dependent minor children may purchase such benefits up to a total maximum value of \$235 once every twelve consecutive months.

Effective April 1, 2004, the optical insurance optical amount will increase from \$350 to \$400 and the child maximum amount will increase from \$235 to \$270. Effective April 1, 2005, the optical insurance optical amount will increase from \$400 to \$450 and the child maximum amount will increase from \$270 to \$300.

Effective for employees who retire on or after April 1, 2000, retirees, their spouses, and any minor dependent children will be provided with the same optical insurance plan benefits as are provided to active employees.

## **Section 7. Contribution to Deferred Compensation in lieu of Health Insurance Coverage**

Effective with this contract, employees who are covered by another hospital/medical insurance plan may elect to receive fifty dollars (\$50) per week in lieu of participation in the Clinton Township hospital/medical insurance plan. Employees electing this benefit must meet the requirements and agree to the stipulations as described in Appendix A attached to this agreement and complete the form "Waiver of Medical Insurance" attached to this contract as Appendix B.

### ARTICLE XIII – WORKERS’ COMPENSATION

No sick days shall be charged to the account of Employees who are ill or who have suffered an injury arising out of and connected with their employment and which prevents them from performance of their duties for the Township.

Provisions of the worker’s compensation laws of the State of Michigan shall apply to all injuries, accident or illness to Employees arising from the performance of their duties. Any Employee who is unable to work as a result of such injury, accident or illness shall be paid by the Township the difference between eighty (80%) percent of their regular rate of pay and the amount received from workers’ compensation for the duration of the recovery, not to exceed six (6) months from the date of injury, accident or illness.

For the initial six (6) month period recited above, the Employees shall be allowed to accrue benefits, including seniority, as though they were working. At the terminations of said six (6) month period, if the Employee cannot return to work then they shall be granted a six (6) month extension if they make application to the Township Board. The extension shall not include salary, pay supplements, or benefits unless approved by the Township board. However, the Township shall maintain hospital and medical insurance, dental insurance, life insurance, and optical insurance during the six (6) months extension.

At the end of the second extension, if the Employee cannot return to work in the same capacity, the Employee’s employment relationship shall cease unless the Township Board grants further extension.

During the second six (6) month extension, and no later than ten (10) months from the injury, the Employee shall notify the Township of their decision to apply for a disability retirement to allow necessary time for the processing prior to the cessation of the employment

relationship with the Township.

Normal payroll tax deductions will be made on the supplement check issued by the Township. However, total authorized deductions and pension contribution shall be deducted at the full annualized bi-weekly rate.

#### ARTICLE XIV – UNIFORM AND CLOTHING ALLOWANCE

(A) Each Employee shall receive the sum of Five Hundred (\$500) Dollars each six (6) months, for the purpose of maintaining, cleaning, altering, sewing on of buttons, repairs, patches, and/or replacing such uniform or parts thereof.

(B) The Township will repair or replace any items broken or damaged in the line of duty that was not caused through the negligence of the Employee up to a maximum of Two Hundred (\$200.00) Dollars.

#### ARTICLE XV – SALARY SCHEDULE AND DURATION OF CONTRACT

The attached salary schedule shall be effective as indicated. The said salary schedule shall be identified as Exhibit “A” attached hereto and incorporated herein by reference as though contained in this agreement verbatim.

#### ARTICLE XVI – MAINTENANCE OF CONDITIONS

The Township will make no unilateral changes in wage, hours, and conditions of employment contrary to the provisions of this agreement during the term of this Agreement.

## ARTICLE XVII – LONGEVITY

All Employees shall receive longevity pay in accordance with the following schedule, subject to the condition that said percentage factor shall be applied to base salary, with a maximum base limit of Thirteen Thousand (\$13,000.00) Dollars:

- A. Two percent (2%) of gross base pay beginning with the 6<sup>th</sup> year of service.
- B. Four percent (4%) of gross base pay beginning with 11<sup>th</sup> year of service.
- C. Six percent (6%) of gross base pay beginning with the 16<sup>th</sup> year of service.
- D. Eight percent (8%) of gross base pay beginning the 21<sup>st</sup> year of service.
- E. Ten percent (10%) of gross base pay beginning the 26<sup>th</sup> year of service.

Longevity pay shall be due and payable in a lump sum payment on the last pay day in November in each year during the term of this agreement. In the event of termination of employment, longevity pay shall be prorated to the date of termination on a monthly basis with the terminating month being included if the Employee worked the majority of that month.

It is hereby agreed between the parties hereto that if the longevity provisions are improved for any other bargaining unit within the township, the parties agree to change this Section of the Contract in accordance with the improvements made to other bargaining units, provided it is an increase in benefits, rather than a decrease.

## ARTICLE XVIII – PENSIONS

### Section 1. Multiplier

Each Employee shall be provided a regular retirement pension equal to Two Point Five (2.5%) percent of the member's average final compensation multiplied by the first Twenty-Five (25) years of service credited to the member, plus One (1%) of the member's average final

compensation multiplied by the number of years, and fraction of a year, of service rendered by the member in excess of Twenty-five years.

Section 2.     Average Final Compensation

The Firemen and Policeman Pensions Act (MCLA 38.551), Section 6(1)(f), as amended for Fire Department members providing that “average final compensation” shall mean the average of three (3) years of highest annual compensation received by the member during their ten (10) years of service immediately preceding their retirement or leaving service, is hereby adopted for the Employees upon execution of this agreement.

Section 3.     13<sup>th</sup> Check

For Employees who retire on or after April 1, 2000, and after five years of retirement, said retirees will be eligible yearly for a performance bonus of a 13<sup>th</sup> (additional) check, not to exceed an amount greater than their monthly pension check. If surplus funds are inadequate to provide a full month’s payment, the checks will be prorated based on the retiree’s monthly benefit. The surplus funds, as determined by the Annual Actuarial Valuation attributed to fire members of the Clinton Township Fire and Police Retirement System, will be a maximum of half the excess over the actuarial assumed rate of return. Surplus or deficit funds in any given year shall not affect any valuations in subsequent years. Any distributions shall be made no later than the second month following the publication of the actuarial valuation.

Section 4.     Employee Contribution

The Employee’s annual pension contribution shall be four (4%) percent of all taxable wages. The appropriate amount shall be deducted from each paycheck the Employee receives.

Section 5.     Annuity Withdrawal

Upon normal service retirement (25 years of service), excluding disability or early



retirement, Employees of the bargaining unit shall be entitled to withdraw up to their accumulated contributions (including interest) to the system, provided that they agree to accept an appropriate lesser monthly benefit. Such lesser benefit is to be computed by the Township's actuary using a method intended to prevent such contribution withdrawal from costing the Township or the pension fund any additional monies. For the purpose of this calculation the actuary shall use the then current interest rate for immediate annuities published by the Pension Benefit Guarantee Corporation and the actuary shall also use mortality table used for the most recent regular actuarial determination. In the event the PBGC interest rate is no longer published, the current interest rate for the ten (10) year T Bill shall be used. Effective April 1, 1997, the annuity withdrawal option shall be available to employees who leave the employment of the Township and who vest their pensions. The withdrawal will be made at the time the employee begins drawing a pension from the Township.

Section 6.     SERVICE REQUIRED FOR NORMAL RETIREMENT

Effective April 1, 2004, employees the requirement for a normal service retirement will be changed from 50 with twenty-five years of service to 25 years of service with no age requirement.

Section 7.     SURVIVING SPOUSE BENEFIT FOR RETIREE ON DUTY  
DISABILITY RETIREMENT

A surviving spouse of a retiree who is receiving a duty disability pension at the time of death shall continue to receive the same duty disability pension benefit throughout the life of the surviving spouse. It is understood that this would entitle the surviving spouse to the same benefit he/she would receive had the retiree lived to the age of fifty-five (55) years and has selected their spouse as beneficiary under Act 345.

Section 8.     DEFERRED RETIREMENT OPTION PLAN (DROP)

The parties have reached agreement on a Deferred Retirement Option Plan (DROP). See Appendix “C” for the plan description.

ARTICLE XIX – VALID MICHIGAN DRIVER’S LICENSE

As a condition of employment, all Employees must maintain a valid Michigan Driver’s License. Failure to maintain such a license shall automatically terminate the employment agreement.

ARTICLE XX – SCHOOL TUITION

An Employee who on his/her days off attends a college, university, trade school, technical school, or adult education class in a course or program related to his/her work in the Township, with the approval of the Township Supervisor or designee, shall be reimbursed by the Township in the amount of tuition and books, except that the Township shall only reimburse tuition costs for college courses up to an amount equal to the cost of twenty (20) credit hours per year based upon the per credit cost at Macomb Community College. The tuition reimbursement limit for classes leading to a degree beyond an Associate’s Degree will be \$2,000 per year. Employees shall be reimbursed by the Township within thirty (30) days upon submission of proper documentation that he/she has satisfactorily completed the course with a passing grade of “C” or better.

If an Employee terminates employment within one (1) year of receiving any portion of said funds, unless for normal age and service retirement, the Employee will return said funds on pro rata basis commencing the month of receiving the funds. A month shall be counted for proration only if the Employee worked the greater portion of working days in that month.

## ARTICLE XXI – EDUCATIONAL ALLOWANCE AND/OR EDUCATIONAL INCENTIVE

To avoid a two tier system, the present educational allowance will be superseded by an annual allowance to a one time payment unless you possess a bachelor's degree or higher.

Upon completion of a fire science certificate, which is equal to approximately 30 hours, a one time bonus would be paid of \$500.00.

Upon completion of a fire science associates degree, which is approximately 60 hours, a one time bonus would be paid of \$1,000.00.

Upon completion and achievement of Bachelor of Science Degree in Fire Science or an associated field, a \$600.00 annual payment shall be paid to the Employee for a period of 5 consecutive years so long as the Employee is employed by the Township.

That as an inducement to the Employees that are already drawing an education allowance, each of these Employees shall receive an extra bonus, to wit: Employees with a certificate would receive an additional \$500.00, an Employee with an associates degree \$1,000.00, and the Employee with a Bachelor's or greater degree, \$1,600.00

It is agreed that any Employee receiving an educational allowance would have to give back the allowance if they leave the employ of the Township within 12 months of receiving the same unless they were retiring. Naturally, if an Employee is retiring and if his/her educational incentive is still active, it will be null and void at the time of retirement.

## ARTICLE XXII – JURY DUTY

Employees required to be available for jury selection or service shall receive their regular daily wage for each day which would have been worked but for such jury participation, provided

that the Employee turns over to the Township any enumeration received for said jury duty, except mileage fees. The Employee shall be allowed a reasonable period of time within which to return to work upon completion of jury duty, but the Employee will notify the Employer as soon as he/she is excused from jury duty each day.

#### ARTICLE XXIII – EFFECT OF TRANSFER FROM 24 HOUR WORK DAY TO 8 HOUR WORK DAY

It is agreed between the parties hereto that sick and vacation day banks will be adjusted as follows when Employees transfer from a 24 hour work day to a 8 hour work day. The number of hours in bank shall be multiplied by 40 and divided by 56 to establish the number of hours in bank for an 8 hour employee.

#### ARTICLE XXIV – EMPLOYEES USING TOWNSHIP VEHICLES

Employees may use a Township vehicle for personal use and transportation to and from work, provided that they reside in Wayne, Oakland, Macomb, or St. Clair Counties. If they reside in any other county, they will be required to use their own vehicle to commute from work to home and back. The employees shall otherwise comply with the Fire Department's policy regarding the use of a department vehicle.

#### ARTICLE XXV – OVERTIME AND COMPENSATORY TIME

A. Effective with the signing of this Collective Bargaining Agreement, off-duty Employees who are called to respond to an emergency situation shall be compensated at the rate

of time and one-half for a minimum of three (3) hours. In the event an Employee is required to work beyond three (3) hours on one call, the rate of time and one-half shall prevail for the remaining hours or any part thereof worked.

B. The call shall start from the time the Employee is contacted and responds affirmatively until the equipment is back in service, upon discretion of the officer in charge, provided, however, that with relief the Employee can be sent home and the call terminated.

C. Hours worked by employees in excess of forty (40) per week, excluding regularly scheduled Township Board Meetings, will be compensated at time and one-half in compensatory time. An employee may accumulate up to one hundred and twenty (120) hours of such time per year.

D. Compensatory Time

(1) Compensatory time shall be accumulated as follows:

- a. Compensatory time shall be accumulated at the rate of one and one-half hours for each hour of overtime worked.
- b. No more than eighty (80) hours of compensatory time will be
- c. No more than a total of one hundred-twenty (120) hours are to be
- d. The eighty (80) and one hundred-twenty (120) hours respectively

(2) Payment for compensatory time

Upon separation from service, members shall be paid for all their accrued compensatory time. In the event the separation is due to the member's death, the payment for accrued compensatory time shall be paid to the member's estate, legal representative, or to their immediate family as provided by law.

E. Fire Department Functions

All Employees that agree to work and are then scheduled for a fire department function on an off-duty day shall receive compensatory time.

F. Clinic/Therapy Visits

All Employees that are required to attend the Township assigned clinic for an initial visit, re-visit, or for therapy sessions after their scheduled work day, shall receive a minimum of two (2) hours of compensatory time, plus mileage.

ARTICLE XXVI – RECLASSIFICATION OF DEPUTY CHIEFS

Effective with this agreement, the Township agrees to replace the classification of Deputy Chief Administration with the classification of Deputy Chief. The classification of Deputy Chief Operations is renamed Operations Chief. the classification of Operations Chief shall report to the Deputy Chief. The Deputy Chief shall report to the Chief and shall assume the duties of the Chief in his absence. The Rules and Regulations of the department shall be amended to reflect this change. The parties agree that the pay adjustment shown in Exhibit A reflects the additional duties of the new Deputy Chief Classification.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized Representatives this \_\_\_\_\_ day of \_\_\_\_\_, 2004, at the Charter Township of Clinton, Macomb County, Michigan.

FOR THE EMPLOYEES:

CHARTER TOWNSHIP OF CLINTON

\_\_\_\_\_  
JOHN MURHPY, Fire Chief

\_\_\_\_\_  
ROBERT J. CANNON, Supervisor

\_\_\_\_\_  
Lou Ianitelli, Deputy Fire Chief

\_\_\_\_\_  
DENNIS C. TOMLINSON, Clerk

\_\_\_\_\_  
Michael Phy, Operations Chief

\_\_\_\_\_  
FREDERICK M. WUTZKE  
Human Resources Director

EXHIBIT "A" TO COLLECTIVE BARGAINING AGREEMENT  
BETWEEN THE CHARTER TOWNSHIP OF CLINTON AND THE  
FIRE CHIEF AND DEPUTY FIRE CHIEF

Salary Schedule "A" is predicted on a Thirty-Five hour work week schedule which is normally 7 work hours per day plus 1 hour for lunch. (These Employees are commonly referred to as 40 hour employees.)

The Clinton Township Fire Chief, Deputy Fire Chief/Operations, and the Deputy Fire Chief/Administration and the Charter Township of Clinton are desirous of amending the Collective Bargaining Agreement for the period of April 1, 2004 to April 1, 2008.

It is agreed that the following annual salary schedule will be adopted.

	<u>FIRE CHIEF</u>	<u>DEPUTY FIRE CHIEF</u>	<u>OPERATIONS CHIEF</u>
As of the 1 <sup>st</sup> day of April, 2004	\$96,311	\$89,672 <sup>1</sup>	\$89,672
As of the day this Contract is signed	\$96,311	\$90,570	\$89,672
As of the 1 <sup>st</sup> day of April, 2005	\$99,200	\$93,287	\$92,362
As of the 1 <sup>st</sup> day of April, 2006	\$102,176	\$96,086	\$95,132
As of the 1 <sup>st</sup> day of April, 207	\$105,241	\$98,968	\$97,986

<sup>1</sup>From April 1, 2004 to the date this contract is signed, this is the pay rate for the Deputy Chief-Administration.



## APPENDIX “A”

### PAY IN LIEU OF HEALTH INSURANCE COVERAGE

The UNION and the EMPLOYER recognize that in some instances employees have duplicate health insurance coverage. In these cases the Township and another employer are both paying insurance premiums and the employee is receiving little or no additional benefits. In an effort to avoid this wasteful duplication, the parties have agreed upon the following program which allow employees to decline the Township provided hospital/medical insurance program and receive instead a contribution to their deferred compensation account.

#### A. ELIGIBILITY

All employees who are covered or eligible for coverage by the Employer’s hospital/medical insurance programs are eligible for this option. They may take advantage of this option by:

- 1.) Providing written proof that they have current coverage under another health insurance plan and;
- 2.) Submitting the “Waiver of Medical Insurance” form which appears as Appendix B to this agreement.

#### B. AMOUNT OF BENEFIT

The Employment will compensate the employee in the amount \$100 per pay period in addition to his/her normal pay.

#### C. STIPULATIONS

The parties agree to the following stipulations:

1. Employees may elect this option at any time.
2. The supplemental pay will begin with the first pay date in the month that insurance coverage ceases. There will be no retroactive payments.
3. Employees may elect to reinstate their health insurance coverage and drop the supplemental pay plan at the annual health insurance open enrollment. If an employee wishes to reinstate their health insurance coverage at any other time, they may do so only if the reinstatement is due to loss of coverage as a result of the death of, divorce from, or

loss of coverage due to the unemployment of the individual covering the employee under another plan.

4. Those persons who are eligible for hospital/medical insurance at the inception of this agreement but who have elected not to be insured by the Township plan because they are covered by another plan, will be eligible for this option.
5. In those cases where both a husband and wife work for the Township, one person may carry his/her spouse and dependents on the health insurance policy and the other person may elect the supplemental pay plan.
6. When an employee elects to drop his/her insurance coverage, he/she must drop it for him/her self and all dependents. (e.g. A parent cannot drop insurance for him/her self and retain coverage for his/her children).
7. The Provisions of this plan which pertain to adding or dropping insurance coverages are subject to the administrative rules of the insurance carriers for the Township.

APPENDIX "B"

WAIVER OF MEDICAL INSURANCE  
AND ELECTION OF SUPPLEMENTAL PAY  
IN LIEU OF PARTICIPATION IN GROUP MEDICAL INSURANCE

I hereby authorize the Charter Township of Clinton to cancel my group medical plan if I currently have group coverage and provide supplemental pay to me of \$50 per pay in lieu of participation in any Township group medical plan. I affirm that I am covered by the health plan coverage offered through:

\_\_\_\_\_\*  
(Name of Company or Carrier)

I understand that by exercising the election to receive these payments, I will receive no benefits or payments as primary subscriber from any Township group medical plan.

I understand that except in the case of death, divorce from, or lost of coverage due to the unemployment of the individual covering me under another plan, I will not be eligible for enrollment in any of Clinton Township's group medical plans until the next open enrollment period.

I understand that if I wish to enroll in any if Clinton Township's group medical plans at a later date, I will be subject to that plan's enrollment rules.

\_\_\_\_\_  
NAME (PLEASE PRINT)

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DEPARTMENT NAME

\_\_\_\_\_  
SOCIAL SECURITY NUMBER

\*If covered elsewhere, you must provide written proof of other coverage.

## APPENDIX “C”

### DEFERRED RETIREMENT OPTION PLAN: DROP

#### **A. OVERVIEW**

Effective December 21, 2000, any employee who is a member of the Clinton Township Fire Chief, Deputy Fire Chief/Options and Deputy Fire Chief/Administration bargaining group (hereinafter the “Fire and Chiefs”) may at any time voluntarily elect to participate in the Clinton Township Police and Fire Retirement System Deferred Retirement Option Plan (hereinafter “DROP”) after attaining the minimum requirements for a normal service retirement/pension. Upon commencement of DROP participation, the Participant’s DROP Benefit shall be the dollar amount of the member’s monthly pension benefit computed by using the contractual guidelines and formula(s) that are in effect on the DROP Date. During participation in the DROP, the Participant continues will full employment status and receives all future promotions and benefit/wage increases. The Participant’s DROP Benefit shall be credited monthly to the Participant’s DROP Account which shall be established within the Defined Benefit Plan of the Clinton Township Fire and Police Retirement System (the “Fire and Police Retirement System” or “Plan”). The Participant’s DROP Account shall be maintained and managed by the Board of Trustees of the Fire and Police Retirement System (the “Retirement Board”). Upon termination of employment, the retiree shall begin to receive payment(s) from his/her individual DROP Account as described herein. The DROP payment(s) are in addition to all other contractual pension benefits. The Participant is solely responsible for analyzing the tax consequences of participation in the DROP.

#### **B. ELIGIBILITY**

Effective December 21, 2000, any member of the Clinton Township Fire Chief, Deputy

Chief/Options and Deputy Fire Chief/Administration bargaining group (hereinafter the “Fire and Chiefs”) may voluntarily elect to participate in the DROP at any time after attaining the minimum requirements for a normal service retirement/pension.

**C. PARTICIPATION PERIOD**

The maximum period for participation in the DROP is five (5) years (the “Participation Period”). There is no minimum time period for participation. Upon termination of employment, the retiree shall receive the monthly retirement benefit previously credited to their DROP Account unless an Optional form of benefit is elected pursuant to subsection E. Failure to terminate employment at the expiration of the DROP Participation Period shall result in forfeiture of the Participant’s monthly pension benefit otherwise payable to their DROP Account until termination of employment. Interest on the DROP Account however, will continue to accrue during such a forfeiture period.

**D. ELECTION TO PARTICIPATE**

Once commenced, participation in the DROP program is IRREVOCABLE (except as specifically provided in subsection L herein). A member who wishes to participate in the DROP shall complete and sign such application form or forms as shall be required by the Retirement Board. The Retirement Board shall review the application within a reasonable time period and make a determination as to the member’s eligibility for participation in the DROP. ON the member’s effective DROP Date, he or she shall become a DROP Participant and shall cease to be an active member of the Fire and Police Retirement System. The amount of credited service, multiplier and average final compensation shall be fixed as of the participant’s DROP Date. Increases in compensation and accrual of additional service during DROP Participation will NOT be factored into the pension benefits of active or former DROP Participants (except as specifically provided in subsection L).

#### **E. DROP BENEFIT**

The Participant's DROP Benefit shall be the regular monthly retirement benefit to which the member would have been entitled if the member had actually retired on the DROP Date (less the annuity withdrawal reduction as set forth in subsection F, if applicable). The participant's DROP Benefit shall be credited monthly to the participant's individual DROP Account. A member who elects to participate in the DROP may prior to or at the time of their termination of employment elect to receive his or her benefit in the form of the Plan's Option I or Option II benefit and nominate a named beneficiary. A Participant desiring to (1) change their form of benefit at termination of employment or (2) have a new spouse recognized for purposes of the Plan's post-retirement surviving spouse benefit, must make such election prior to termination and will receive the actuarially computed revised benefit commencing on the member's effective date of termination. Such actuarial re-computation shall include the member's election of Annuity Withdrawal pursuant to Subsection F herein. The term "spouse" for purposes of benefit qualification, shall mean: (1) the person to whom the Participant was legally married to on the Participant's date of death if such death occurs during DROP Participation; or (2) the person to whom the retirant was legally married on both the effective date of termination of employment and the retirant's date of death if such death occurs after termination of Employment. The definition of "spouse" herein may be amended pursuant to an Eligible Domestic Relations Order entered pursuant to Michigan Public Act 46 of 1991, as amended (MCL §38.1701 et seq.).

#### **F. ANNUITY WITHDRAWAL**

A member who elects to participate in the DROP may elect the Annuity Withdrawal Option provided by the Plan at the time of electing DROP participation. Such election shall be made commensurate with the Participant's DROP election, but not thereafter, and will be utilized

to compute the actuarial reduction of the member's DROP Benefit, as well as the member's monthly retirement benefit from the Fire and Police Retirement System after termination of employment. The Annuity Withdrawal reduction shall be redetermined and the retirant's monthly retirement benefit redetermined upon Participant's termination of employment of the Participant, pursuant to Subsection E, elects an Optional form of benefit or spousal coverage for a new spouse.

The annuity withdrawal amount (accumulated contributions) shall be withdrawn from the Clinton Township Fire and Police Retirement System – Defined Contribution Plan at the time of DROP election and shall not be subject to withdrawal from the Plan at termination of employment. All withdrawal provisions and options under the Defined Contribution Plan which are available to Retirement System Members shall be available to the DROP Participant at such time as he or she elects DROP Participation.

#### **G. DROP ACCOUNTS**

For each DROP Participant, an individual DROP Account shall be created in which shall be accumulated at DROP Interest the participant's DROP Benefits. All individual DROP Accounts shall be maintained for the benefit of each DROP Participant and will be managed by the Retirement Board in the same manner as the primary pension fund. DROP Interest for each DROP Participant shall be a fixed rate of 7.5% per annum.

#### **H. CONTRIBUTIONS**

The employee's contributions to the Fire and Police Retirement System shall cease as of the Participant's DROP Date for each employee entering the DROP.

The payroll of DROP Participant's will be included in the covered compensation upon which regular Township contributions to the Retirement System are based. Employer

contributions shall be credited to the Retirement System and not to any individual's DROP Account.

## **I. DISTRIBUTION OF DROP FUNDS**

Upon termination of employment, the former DROP Participant must choose one, or a non-inconsistent combination of, the following distribution methods to receive payment(s) from his or her individual DROP Account:

- 1) A total lump sum distribution to the recipient.
- 2) A partial lump sum distribution to the recipient.
- 3) A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the Retirement Board's rollover procedures.
- 4) An annuity payable for the life of the recipient.
- 5) An optional form of annuity as established by Public Act 345 of 1937, as amended.
- 6) No distribution, in which case the accumulated balance shall remain in the Plan to the extent allowed by federal law.

A former Participant may change their distribution method as may be applicable no more than once per annum. All benefit payments under the Plan shall be made (or commence in the case of an annuity) as soon as practical after entitlement thereto, but in no event later than the April 1 following the later of:

- 1) The calendar year in which the Premium Member attains age 70 1/2, or
- 2) The calendar year in which the Participant's employment terminated.

If the Accumulated Balance in any former Participant's account becomes less than \$5,000 (or such other amount as provided in Internal Revenue Code Section 411(a)(11)(A)), then the Retirement Board, in its sole discretion, shall have the option of distributing the former Participant's entire account, in the form of a lump sum, to the Former Participant.

Any and all distributions from Participant's DROP Account shall not be subject to offset by any workers compensation wage loss payments received by the Participant, including any redemption amounts.



**J. DEATH DURING DROP PARTICIPATION**

Except as otherwise provided in subsection L, if an employee participating in the DROP dies either: (i) before full retirement (i.e., before termination of service); or (ii) during full retirement (i.e., after termination of service) but before the DROP account balance has been fully paid out, the Participant's designated beneficiary(ies) shall receive the remaining balance in the Participant's DROP Account in the manner in which they elect from the previously mentioned distribution methods (Subsection I). In the event the Participant has failed to name a beneficiary, the account balance shall be payable to the Participant's beneficiary of benefits from the Fire and Police Retirement System. If there is no such beneficiary, the account balance shall be paid in a lump sum to the Participant's estate. Benefits payable from the Fire and Police Retirement System shall be determined as though the DROP Participant had separated from service on the day prior to the Participant's date of death.

**K. DISABILITY DURING DROP PARTICIPATION**

Except as otherwise provided in subsection L, in the event a DROP Participant becomes totally and permanently disabled from further performance of duty as a fire fighter in accordance with the provisions of the Fire and Police Retirement System, the Participant's participation in the DROP shall cease and the member shall receive such benefits as if the member had retired and terminated employment during the Participation Period. Application and determination of disability shall be conducted in accordance with the Fire and Police Retirement System provisions; however, the Participant shall not be eligible for disability benefits from the Fire and Police Retirement System, except as specifically provided in subsection L.

**L. SPECIAL PROVISION FOR DUTY DISABILITY AND DUTY DEATH**

A DROP Participant who is found by the Retirement Board, in accordance with Retirement Board System provisions, to be totally and permanently incapacitated for duty by reason of

personal injury or disease occurring as the natural and proximate result of causes arising out of and in the course of the member's employment in the Township may retroactively revoke the Participant's DROP election if the revocation occurs before the payment of a distribution to the member from the Participant's DROP account or payment of retirement benefits to the retirant from the Retirement System. If a DROP Participant dies in the line of duty while in the employ of the Township, the DROP Participant's eligible survivors (i.e., survivors qualified under Section 6(2) of Public Act 345 of 1937, as amended, and the Participant's applicable collective bargaining agreement) and the Participant's eligible DROP beneficiary(ies) may, by unanimous agreement, retroactively revoke the Participant's DROP election if the revocation occurs before payment of a distribution from the Participant's DROP account or payment of benefits to the retirant from the Fire and Police Retirement System. If a DROP election revocation is made as prescribed by this Subsection, the Participant's DROP Account is not distributed, and the Participant or the Participant's beneficiary(ies), as applicable, is entitled to all benefits provided by the Fire and Police Retirement System as if a DROP election had not been made. In the event of revocation of DROP participation as provided herein, there shall be no requirement for retroactive payment of employee contributions which would otherwise have been paid by the member to the Retirement System and the member shall receive service credit for all service rendered during DROP participation or as otherwise provided in the applicable collective bargaining agreement.

**M. I.R.C. COMPLIANCE**

The DROP is intended to operate in accordance with Section 415 and other applicable laws and regulations contained within the Internal Revenue Code of the United States. Any provision of the DROP, or portion thereof, that is found by the Retirement Board to be in conflict with an

applicable provision of the Internal Revenue Code of the United States is hereby declared null and void.

The Clinton Township Fire and Police Retirement System consists of both defined benefit and defined contribution plans. The DROP Account herein discussed shall be established as part of the Defined Benefit Plan of the Retirement System or such other plan as the Retirement Board and the Fire Chiefs shall agree upon (i.e., I.R.C. section 415(m) benefit plan) after consultation with appropriate legal counsel.

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
CLINTON TOWNSHIP FIRE CHIEF'S ASSOCIATION  
AND THE  
CHARTER TOWNSHIP OF CLINTON

WHEREAS, Employer (Charter Township of Clinton) and the Employee (Clinton Township Fire Chief and Deputy Fire Chiefs) entered into a collective bargaining agreement effective April 1, 2004 to March 31, 2008.

WHEREAS, the parties desire to amend said agreement according to the following terms and conditions.

NOW THEREFORE, the parties agree as follows:

ARTICLE XVIII – PENSIONS

Revise only Sections (1) and (4) as follows:

Section 1.     Multiplier

Each Employee shall be provided a regular retirement pension equal to Two Point Eight (2.8%) percent of the member's average final compensation multiplied by the first Twenty-Five (25) years of service credited to the member, with a maximum of Seventy (70%) percent.

Section 4.     Employee Contribution

The Employees' annual pension contribution shall be seven (7%) percent of all taxable wages. The appropriate amount shall be deducted from each paycheck the Employee receives.

An Employee who is either participating in the DROP plan or who has participated in the DROP plan and is no longer eligible to do so shall have their annual salary amount as identified in the salary schedule (Exhibit "A") reduced by three (3%) percent. Chief John Murphy, only, is exempt from the salary reduction requirement of this Section.

## ARTICLE XXVI – DEPUTY CHIEFS

Revise in its entirety to state as follows:

The classification of Deputy Chief is returned to Deputy Chief Administration. The classification of Operations Chief is returned to Deputy Chief Operations. The positions of Deputy Chief (Administration/Operations) shall be equal in rank. The senior Deputy Chief as determined by time and grade in a Deputy Chief position shall have the option of either position and shall be next in line to be promoted provided the qualifications of the position of Chief are met. The senior Deputy Chief, as defined above, shall assume the duties of the Chief in his absence and the Rules and Regulations of the department shall be amended to reflect this change.

Deputy Chief Michael Phy, and all future Deputy Chiefs, shall receive the annual salary as identified in Exhibit "A" under the heading Operations Chief. Deputy Chief Lou Lanitelli, only, shall receive the annual salary as identified in "Exhibit "A" under the heading "Deputy Fire Chief."

## ARTICLE XII – INSURANCE BENEFITS

### Section 5. Dental Plan

Revise only to the extent that: A) annual limits on benefits shall be increased from \$800.00 to \$1,200.00 and B) sealants shall be added to the Class I Benefits schedule.

Revise to add the following Article:

## ARTICLE XXVII – OUT OF STATE CONFERENCES

The Fire Chief shall be permitted to attend out of state conferences. The Employer will only be required to pay the expenses of travel, accommodations, and conference registration in accordance with its travel policy in effect from time to time that is consistent with other department heads in the Township. In the event travel expenses are denied, employee may still attend the particular conference(s) requested and receive work leave to do so.

ARTICLE V – PROMOTIONS, LAYOFFS, SUSPENSIONS,  
DISCHARGE AND REINSTATEMENTS

Revise only Section (A) as follows:

A. Promotions

In order to qualify for appointment to Fire Chief the following requirements must be met.

Fire Chief

1. The Chief will be appointed by the Township Board from the ranks.
2. To be eligible for appointment to the position of Chief an applicant must have a minimum of five (5) years' service in fire suppression as a Command Officer and have successfully completed all courses necessary to be Fire Officer I, II and III and who holds the rank of Deputy Chief with two (2) years or more in grade.

If there is no applicant, Battalion Chief or the equivalent with two (2) years or more in grade will be eligible.

3. For qualifications, an applicant must possess, as a minimum, an associate degree in fire science from an accredited Michigan institution of higher learning, prior to Appointment.

Deputy Chief

1. To be eligible to be a Deputy Chief the applicant has to have, as a minimum, five (5) years service in fire suppression as a Command Officer and have successfully completed all course necessary to be Fire Officer I, II and III and who holds the current rank of Battalion Chief or its equivalent.

If there is less than enough applicants, any Captain or the equivalent will be eligible. All applicants must have two (2) years service in grade.

2. Seniority – The applicant for Deputy Chief will have his/her rank determined by the actual time that they served in their current rank.

Any provisions of the April 1, 2004 to March 31, 2008 agreement not in conflict herewith shall remain in full force and effect.

Entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2006

CHARTER TOWNSHIP  
OF CLINTON:

CLINTON TOWNSHIP  
FIRE CHIEFS' ASSOCIATION

By: \_\_\_\_\_  
Robert J. Cannon  
Township Supervisor

By: \_\_\_\_\_  
John Murphy  
Fire Chief

By: \_\_\_\_\_  
Dennis C. Tomlinson  
Township Clerk

By: \_\_\_\_\_  
Lou Ianitelli  
Deputy Fire Chief

By: \_\_\_\_\_  
Michael C. Phy  
Deputy Fire Chief